

THE HUDSON'S BAY COMPANY'S MEETING.

REPORT of the proceedings of the Shareholder's Meeting of the Hudson's Bay Company, held on Tuesday, the 28th June, 1887 ; reprinted from the *Canadian Gazette* :—

A GENERAL COURT of the Governor and Company of Adventurers of England trading into Hudson's Bay was held at the Cannon Street Hotel on Tuesday afternoon. Mr. Eden Colvile, the governor of the committee, presided, and on entering the room was received with applause by a fair attendance of shareholders.

The SECRETARY (Mr. W. Armit) having read the notice convening the meeting, and it having been decided to take the report and accounts as read,

The CHAIRMAN said : On this occasion it is necessary for me to address you at no very great length. Everything is going on smoothly and comfortably ; and I shall conclude with a motion for the adoption of the report and accounts. I think that I may venture to congratulate the shareholders. On the whole, the result of last year's trade, as set forth in the report and accounts, has been satisfactory. I will now proceed to make a few remarks upon some of the paragraphs in the report. As to the first paragraph, it will be in the recollection of shareholders that last year a vessel going out to Hudson's Bay—the *Cam Owen*—was driven on shore in a very severe gale of wind, and was a total loss. We have recovered from the underwriters, as I think I mentioned in November last year, the whole of our claims in regard to both vessel and cargo. But the consequence of that wreck is that a considerable quantity of furs remain in the country which that vessel was detailed to bring home. The Bay is not a place where you can pick up a vessel every day—(laughter)—so the furs had to remain where they were, and they will come home next season. We have put a fair value on those furs in the accounts, and, if the prices keep up or are better, we shall have a profit next year to declare upon them. I think that the value of the whole amount of furs detained was about £25,000. We have purchased another vessel in the place of the *Cam Owen*, which is now named the *Prince Rupert*, on very favourable terms. The ship is, I think, very well adapted to our trade. The vessel was doubled, and all arrangements necessary

for the ice she has to encounter were made. The *Prince Rupert* draws just about the quantity of water we want to get in to our ports in Hudson's Bay, and she, in company with the *Lady Head*, we have advices, left Orkney about a week ago for Hudson's Bay. I can only hope that they will land their cargo in good condition, and bring home a fine lot of furs to sell in January and March next. As mentioned in the report, the results of the sales during the past year were, on the whole, satisfactory. I think it is but right to mention that in two of our staple articles—marten and mink—there was a considerable fall. I think they must both now at last have touched bottom, and that we may hope to see a rise in our next sale. The fall in marten amounted to about 15 per cent., and in mink to about 20 per cent. Those falls were, however, made up to a considerable extent by a large increase in the value of beaver, which seems to have now come into fashion. Bear also sold very well. On the whole we are very well satisfied with the prices that we obtained at those sales. It will be seen in the report that the profits on the outfit of 1885 show an increase of £45,000 in the gross over those of the outfit of 1884. It is most gratifying to us on this side of the table, and I think that it will be equally gratifying to you, that these increases in the profits have enabled us to give a good remuneration to our officers for their services during the past year. (Applause.) As you are aware, they get two-fifths of the profits after they are struck: and that will give to the officers the sum of £307 2s. 8d. a share without calling upon the proprietors or the Company to find anything under the terms of their guarantee. I think it must be unnecessary for me to tell you that the prosperity of this Company, so far as the trade is concerned, is in a great measure dependent upon the activity, the energy and the zeal evinced by our officers, and it is always a gratification to me when they get a fair and proper remuneration for their services in that country—(applause)—services which are hard and difficult. The life is hard to live, and this, I hope, is the beginning of a better state of things than they have had lately. For several years they have had nothing to depend on but the guarantee allowed by the shareholders of two hundred pounds per share. I have a word or two to say in regard to the resolution which is included in the report. The object of that resolution is to enable the Governor and Committee in their discretion to pension off certain officers who have served the Company long and faithfully, and who may wish to retire, so that they should have some pension, and not be left without some means of living. And, in order to do that, we have proposed a certain plan which will not interfere with the efficiency of the service, and which will make no fresh calls upon the shareholders. The idea is that we should not fill up all the shares as they arise, but that we should leave a certain number unfilled, and that the profits of those shares should be applied to pay the pensions of those officers who retire, at the pleasure of the Governor

and Committee. (Hear, hear.) I hope, therefore, that the resolution we propose will meet with the unanimous approval of the shareholders on this occasion. (Applause.) It will be seen that we are enabled on this occasion to recommend to you a dividend of 17s. per share. This compares so far favourably with last year, that we only paid 15s. then, and this year we pay 2s. a share more. It comes to within a fraction of 7 per cent. upon the par value of your shares; and, looking at it in another way, I find that the capital we employ in the trade in that country amounts to £870,000, and the amount of profit we have made gives 10 per cent. on that capital. In these hard times, when most properties are not in a very prosperous state, I think that we may congratulate ourselves that we have been able to make such a profit as we have done. At this period of the year it is impossible for me to give you any definite idea of what the result of the current year's trade will be, because we have not the advices from the distant posts. But, judging all round from the advices we have, I shall be disappointed if the volume of the returns that we receive during the autumn is not equal to that of those we received last year. Of course we cannot tell what the price may be; but, as far as we can judge, we hope there will be no fall in the prices. Furs are as much in favour as ever they were. With respect to the Insurance Fund, after settling up our claims in connection with the loss of the *Cam Owen*, the amount at the credit of that fund is still about the same as last year. We have had, I think, our share of misfortunes for some time to come, and in the absence of further claims we can enter any future surplus of the Insurance Fund to profit and loss, and divide it among you. I had hoped to be in a position to-day to have informed you of the settlement of our claims against the Dominion Government for the losses that we incurred during the disturbances in the North-West Territories in 1885. The Dominion Parliament has now risen, and, I believe, certain appropriations have been made to meet the claims not only of the Hudson's Bay Company but of all others who suffered losses during the disturbances. I believe, too, that some individuals have been partially paid their claims against the Government, and that we have no reason to doubt that we shall be treated with justice and fairness by the Dominion Government. I hope that in a few weeks' time we may receive compensation for the losses we suffered. Meanwhile I have nothing more to tell you, and I think it is a subject we had better not discuss until the claims are settled. The next point I have to refer to is the Company's land account, and, before doing so, I should like to read you a telegram just put into my hands by my valued friend and colleague, Sir Donald Smith, which he received from Montreal two days ago. It is as follows:—"During the past two weeks showers of rain"—this is in the North-West Territory and Manitoba—"nearly every day, followed by summer weather throughout the North-West Territory, further improving the prospects

of magnificent crops." I think we may gather from that that there is every prospect of a very fine harvest being reaped in Manitoba and the North-West in the course of the next two months. And that, of course, will have a very good effect upon the value and sale of our lands. Up to this time, in consequence of the depression which has prevailed in this country, as well as in other parts of the world, our sales have been very few and far between. We have given you in the report and accounts a full statement of what has been doing; and the result has been that we have some £7,000 or £8,000 in hand towards the next £100,000, but I am afraid that it will be some time before we see such an excitement as we did before, and are able to get rid of our lands at the pace we did. I do not know that it will not be better on the whole for the Company if things come a little more moderately than they did then. (Hear, hear.) Emigration into the country will increase if the harvest turns out as well as it promises, and when all the free land is got rid of we shall again sell ours. Some of the expenses on the land account are controllable by your committee, and some of them are not. Among the uncontrollable items is that of £8,200 for surveys. This is all according to our agreement with the Dominion Government under which we were to pay them for laying out our lands in townships—and it had to be paid. A large number of the townships are surveyed, and this is an item which will gradually—I hope rapidly—decrease. Municipal taxes is another item over which we can exercise no control. We are not burdened with anything exceptional. We have to pay like any other settler—no more and no less—and, of course, we cannot help paying what we have to pay. The total expenses on the land account, including the municipal taxes, amount to about £7,000 less than they did in the previous year, so that I hope that you will give us credit for exercising due economy in this matter. Of course, there is a great deal to be done in collecting outstanding instalments, and making arrangements for cancelling sales when people make default in their payments; and it is quite necessary to have a largeish staff in Winnipeg for these purposes. But we keep it as low as we can, and I think that on the whole we have it as low as is consistent with efficiency and the work that is to be done. I think that in addition to what is mentioned in the report I may read you a statement of the whole transactions in the Company's lands since June 1, 1872, to March 31, 1887. Receipts for instalments all through the country amounted to £499,945; that is to say, we have received in cash nearly £500,000 for the land that we have sold. In addition there has been received some £90,000 odd for interest on unpaid instalments, making altogether £589,657, and we account for that on the other side by the amount of disbursements for taxes, management, surveys, and so on, £182,604. We have returned to our shareholders £400,000, and we had a balance in hand on the 31st of March last of £6,962 16s. We are informed by our land commissioner that of the vast number of sales which we made during

what was popularly called the "Boom," the cancellation is now pretty well come to an end. There have been a great many speculators, and so forth, who purchased at that time with the idea that they were to sell them again, who found that the thing collapsed, and that land was a drug on the market; and who paid no more than the first instalment. Consequently we have got back the whole of the land we sold, with the payment of the first instalment. The land is in as good condition now as when we first sold it, and we shall be very glad to sell it at the same price to anybody who wants to buy. (Applause.) I would be very loath to sacrifice the property of the Company by putting too low a price upon it. I think we ought to be prepared to meet the demand, and not to ask more than the market price for our land, for that would make us unpopular in the country. That has been the policy of the Company so far, and that is the policy we propose to endeavour to carry out. As I have said, the crop prospects of the country are most fair. I think we shall have a considerable immigration. Before long we hope to be able to report a larger amount of land sales, and to collect the instalments remaining due. In conclusion, I beg to move that the report and accounts be adopted.

Mr. Colville resumed his seat amid considerable applause.

SIR JOHN ROSE seconded the motion.

MR. LAWES: I wish to ask why an amount which would enable you to pay 6s. more per share is reserved. I think that a few years ago a definite resolution was come to by the Bank of England, that all profits down to a certain amount should be rendered to the proprietors, and I cannot conceive why you keep 6s. per share from the proprietors. It is our property, and I apprehend that it ought to be divided among us. I do not understand why it should be reserved.

MR. JOHN EDWARDS: Respecting the fish trade—(laughter)—I am still of opinion that a large profit could be made from that department, and I wish to call attention to the fish factory at Aberdeen. There they buy fish and preserve it. In fact, they make every part available. They also train men to take charge of factories, and it appears to me that their *modus operandi* is just the thing for this Company. You can start a factory at one or more of your posts, or send the fish to market. I think that we can catch fish in the same way as we do animals. (The CHAIRMAN: We do.) I have no wish to take up your time, and I will leave the matter with you to see if you can make anything of it for us. The supplies of fish at some of our posts are practically unlimited, and if they can be turned to account in this way I think it is a great pity that we should lose it. (Hear, hear.) I think this might be a source of profit, and of very great profit. (Hear, hear.)

MR. NUGENT: I should like to say a few words as to the reserve. To carry over 6s. when you pay 17s. is a large proportion—out of every pound you only pay 14s. I know very little of the working of the Company, but I

wish to back up a previous speaker in his suggestion, that if the directors can, in the exercise of their judgment, give us a larger dividend now, they should do so. If I understand the Chairman aright, he has a balance in hand on account of the land sales, which I imagine would be sufficient to fall back on.

MR. PEEL : I have listened with very great pleasure to the Chairman's remarks. It would be more agreeable if you could give us a little more of the lucubrating substance. (Hear, hear, and laughter.) But if you can satisfy us that the reserve is required, I am sure that you will obtain our support. As to the furs detained in the North, may I ask how you arrive at their value? The report generally, I think, is very favourable.

MR. WILKINSON : I should like, as one not unknown to you, and as one who has seen something of the inner working of this Company, to say that I congratulate you on having kept £32,000 as a reserve fund. I should be very glad if you had £50,000, or more, as a reserve. (Hear, hear.) The sum is not a bit too much for a company doing our work; and I hope that, while everything possible is done to ensure the payment of a dividend, care will also be taken to preserve and increase the balance in hand. (Applause.)

A SHAREHOLDER : What is the amount of our claim against the Dominion Government, and has an award been made?

THE CHAIRMAN : I think that we had better not touch upon that point. Our claim has been before commissioners, who have made their report to the Government; and while the matter is in negotiation I think it more prudent to leave it alone. (Hear, hear.) As to the reserve fund, if we divide this 6s. per share it would not be on account of profits made during the past year. The fund has been accumulating for years. Since 1875, I see that it has varied from £42,000 to £29,000. We consider this by no means an excessive amount to retain in a Company like this. (A voice : Not a bit.) This is an accumulation of profits of various years, and has been built up, and, as my friend Mr. Wilkinson said, I individually should be very glad to see it at £50,000 instead of £32,000. (Hear, hear.) You must remember that our trade depends upon various circumstances, and is always varying. There is the quantity of fur-bearing animals that may be collected, there is the fashion in furs themselves; and it is very necessary, if you are to have anything like an equal dividend, to have a reserve fund like this to fall back upon. (Applause.) It enables us very easily to equalise the dividend. If we were to divide all this to-day, and by some accident we made no profit next year, I should have to meet you with a very much longer face than I had on this occasion. And I do think that, looking at the magnitude of the business transacted by this Company, £30,000 or £40,000 is not an unnecessarily large amount to keep in hand. We have divided, on this occasion, every penny that we have made: certainly I should

not be content to give you any more. As to the question of fish, we do trade to a certain extent in fish. But some of our transactions in fish have been very fishy, I am afraid. (Laughter.) However, we still make a considerable profit in canned and salted salmon from Labrador; and I am quite prepared to consider any suggestion. With respect to valuing the furs left in the country, we have placed them at 20 per cent. less than the prices at the last sales.

The Chairman then put the motion, which was unanimously carried, and the proceedings terminated in the usual manner.

The dividend warrants are payable on July 8th.

